2. Electronics Components Manufacturing Scheme- Economy

IT Ministry approves 22 more firms for component incentives. The Central Government has approved 22 new projects worth over ₹41,000 crore under the Electronics Components Manufacturing Scheme (ECMS) to boost the domestic production of passive electronic components. Launched in 2025 by MeitY, this scheme aims to reduce import dependence and integrate India into global value chains by offering incentives linked to investment, turnover, and mandatory employment generation.

New Projects Under Electronics Components Manufacturing Scheme (ECMS)

1. Context and Announcement

Government Approval- The Centre has approved 22 new projects across eight states under the Electronics Components Manufacturing Scheme (ECMS).
Primary Goal- The initiative aims to significantly strengthen India's electronics supply chain and reduce import dependence.

2. Key Highlights of the Approved Projects

Scale of Approval- A total of 22 projects was cleared in the third tranche, covering 11 target electronic component segments.

Investment & Output

Total Investment- The projects entail investments amounting to ₹41,863 crore.
Expected Production- They are projected to generate production worth ₹2.58 lakh crore.
Employment Generation- The projects are expected to create approximately 34,000 direct jobs, providing a boost to skilled manufacturing employment.
Sectoral Coverage- The manufactured components will cater to diverse sectors including Mobile phones, Telecom, Consumer electronics, Strategic electronics, Automotive electronics, IT hardware
Geographical Spread- The projects are distributed across eight states

1. Andhra Pradesh
2. Haryana
3. Karnataka
4. Madhya Pradesh
5. Maharashtra
6. Tamil Nadu
7. Uttar Pradesh
8. Rajasthan

3. About the Electronics Components Manufacturing Scheme (ECMS)

Introduction and Overview

Nature of Scheme- It is India's first dedicated Production-Linked Incentive (PLI) scheme focused exclusively on passive electronic components.
Aim- To build a resilient domestic component ecosystem, attract global and domestic investments, and integrate India's electronics industry with Global Value Chains (GVCs).

Launch Details

Launch Year- 2025
Nodal Body- Implemented by the Ministry of Electronics and Information Technology (MeitY).
Tenure- The scheme has a tenure of six years (FY2025-26 to FY2031-32), which includes a one-year gestation period.

Components Covered

The scheme specifically targets the manufacturing of passive components, distinguishing it from other semiconductor initiatives.

Component Type	Coverage Details
Passive Components (ECMS Focus)	Includes resistors, capacitors, speakers, microphones, relays, switches, connectors, and special ceramics.
Active Components	Items like semiconductors fall under a separate initiative, the India Semiconductor Mission (ISM).

Incentive Structure

Models- The scheme offers flexible incentive models including Turnover-linked incentives, Capex-linked incentives, Hybrid incentive models

Rate- Incentives range from 1% to 10%.

Mandate- There is a specific requirement for mandatory employment generation for all applicants.

4. Significance of the New Projects

Strengthening Supply Chains- The initiative significantly reduces India's reliance on imported electronic components, enhancing the overall resilience of the supply chain.

Boost to High-Value Manufacturing- It supports the growth of advanced electronics manufacturing, aligning with the vision of Atmanirbhar Bharat (Self-Reliant India).

Global Competitiveness- Encourages local sourcing of raw materials. Promotes adherence to international quality standards. Enhances domestic design capabilities. Positions India as a potential global electronics manufacturing hub.

Source- https-//www.thehindu.com/business/Industry/it-ministry-approves-22-more-firms-for-component-incentives/article70464130.ece